



State of Utah

Department of Natural Resources

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Division of Oil, Gas & Mining

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December 1, 2005

CERTIFIED MAIL
7003 2260 0002 0247 9819

Mike Paletto
I & P Investments, LLC
10517 North 50th Avenue
Vancouver, Washington 98686

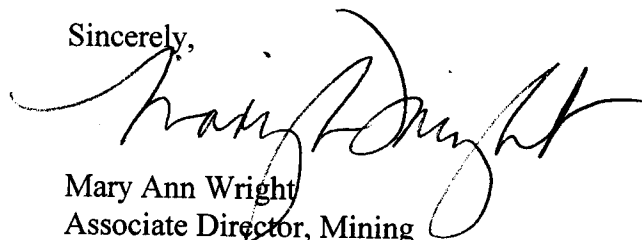
Subject: Findings of Fact, Conclusions, Order and Finalized Assessment for
MN-05-01-12 (2), M/003/060, Green Peak, Utah County, Utah

Dear Mr. Pauletto:

On November 9, 2005, an Informal Conference was held to review the fact of violation and proposed assessment for state violations MN- 05-01-12 (2), Green Peak. As a result of a review of all pertinent data and facts, including those presented in the Informal Hearing and Assessment Conference, the undersigned conference officer has found no merit to the violations issued and is ordering a vacation of both Notices. The attached document constitutes the findings of fact, conclusions, and order.

Please contact me at 801-538-5306 if you have questions.

Sincerely,



Mary Ann Wright
Associate Director, Mining
Assessment Conference Officer

Enclosures

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BEFORE THE DIVISION OF OIL, GAS AND MINING
MINERALS REGULATORY PROGRAM
DEPARTMENT OF NATURAL RESOURCES
STATE OF UTAH

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IN THE MATTER OF I & P	:	INFORMAL CONFERENCE
Investments, Green Peak Mine, Box		For MN-05-01-12 (2)
Elder COUNTY, UTAH	:	
		FINDINGS, CONCLUSIONS
		AND ORDER
	:	CAUSE NO. M/003/060

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On November 9, 2005, the Division of Oil, Gas and Mining ("OGM") held an informal conference concerning the Fact of Violation and the Assessment for Notice of Violation, MC-05-01-12 (2) issued to the Green Peak Mine, Box Elder County, Utah. The following individuals attended: Mike Pauletto, via conference phone, Dennis Jorgensen and Cindy Emmons for I & P Investments; and Lynn Kunzler, and Daron Haddock for OGM.

Presiding: Mary Ann Wright
Associate Director, Mining
Division of Oil, Gas and Mining

Petitioner: I & P Investments (IP)
10517 NE 50 Avenue
Vancouver, WA 98686

The Findings, Conclusions, and Order in this matter are based on information provided by the Petitioner and the Division in connection with this informal conference, and on information in the files of the Division.

FACTS PRESENTED: Fact of the Violation & Assessment of the Violation

1. Minerals Program Notice of Violation (NOV) MN-05-01-12 (2) was written for failure to salvage topsoil and post metal perimeter markers.
2. By letter dated, September 26, 2005, IP requested an informal conference to discuss the fact of violation and the assessment for Minerals Program NOV MN-05-01-12 (2).

Notice of the informal conference was properly given.

3. Pursuant to Utah Code Ann. Section 40-8- 9 and Utah Administrative Rule R647-6-102, an informal conference in the matter was held on November 9, 2005. At the informal conference, information was presented to the Conference Officer by the petitioner and it is summarized below.
4. IP representatives stated that IP has only stripped what was needed for this year; IP has disturbed less than ½ of the area of proposed disturbance; IP pulled out trees and pushed soil into piles, or windrows; IP hauled waste rock from old piles to the waste rock site; IP salvaged the soil that needed to be salvaged; the soil varied in depth and was from 0" to 2" to 10" in places; IP stripped off the topsoil by means of in-field judgement; IP has 3 soil stockpiles, the largest of which is about 400cyds; the mine plan calls for a need of 4600 cyds for reclamation, with soil amounts being made up from fines and 'other'.
5. On the second part of the violation, IP represented that the metal stakes have been put in and everyone is happy with that. Note was made of the fact though that wooden stakes were in place and, due to a medical emergency, his worker was not able to get them in before the division showed up on site and wrote the violation. Metal stakes were subsequently installed and the assessment officer assigned a net of zero points, so no fine was levied.
6. OGM represented that it agreed that only .8 acres was disturbed of the planned 1.7 acres for the waste rock area; the mine plan for topsoil salvage is as the operator represented it; a single soil probe in May 2005 showed 8" of soil available on the waste rock area. No photos or report of this soil probing were provided by the division to the conference officer. A series of 12 photos of the site were presented. One photo (#2) shows how the waste rock seems to go right up to the edge of the vegetation. Photos # 3, 5, 6, 7, & 8 show where trees were taken out and soil was windrowed for salvage in the waste rock area.

CONCLUSIONS

- The preponderance of evidence showed that soil was salvaged by the operator. There was no clear and convincing evidence that soil resources were being lost, nor any solid information presented to show that the mine plan was not being followed. The Conference Officer sees no merit to violation 1 of 2 and asks OGM to vacate the NOV.

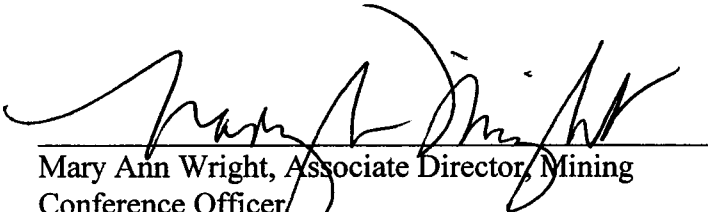
- No information was presented by OGM to show that the stakes were not going to be installed. The wooden stakes were already in place, and only the timing of the division's visit made for an unfortunate circumstance that the metal stakes were not in. The Conference Officer sees no merit to this violation either, and asks that OGM vacate violation part 2 of 2.

ORDER

NOW THEREFORE, it is ordered that:

- OGM issue a vacation of the NOV, parts 1 and 2.
- No fine is due for this violation.

SO DETERMINED AND ORDERED this 1st day of December 2005



Mary Ann Wright, Associate Director, Mining
Conference Officer
Division of Oil, Gas and Mining
State of Utah

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UTAH DIVISION OF OIL, GAS AND MINING
WORKSHEET FOR **FINAL** ASSESSMENT OF PENALTIES

COMPANY: I & P Investments: M/003/060
VIOLATION: MN-05-01-12 (1 of 2), Green Peak

ASSESSMENT CONFERENCE OFFICER: Mary Ann Wright

	Proposed Assessment	Final Assessment
(1) History/Previous Violations	<u>0</u>	<u>0</u>
(2) Seriousness	<u>23</u>	<u>0</u>
(3) Negligence	<u>10</u>	<u>0</u>
(4) Good Faith	<u>-</u>	<u> </u>
Total Points	<u>33</u>	<u>0</u>

TOTAL ASSESSED FINE \$ 0.00

NARRATIVE: The violation was vacated by the Conference Officer, therefore no fine or penalty will be assessed.

(Brief explanation for any changes made in assignment of points and any additional information that was available after the proposed assessment.)